



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-080]

Cast Iron Soil Pipe from the People's Republic of China: Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing the countervailing duty (CVD) order on cast iron soil pipe from the People's Republic of China (China).

DATES: Effective [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Omar Qureshi at (202) 482-5307, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

In accordance with sections 705(a), 705(d), and 777(i) of the Tariff Act of 1930, as amended (Act), and 19 CFR 351.210(c), on February 28, 2019, Commerce published its affirmative final determination in the countervailing duty investigation of cast iron soil pipe from China.<sup>1</sup>

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<sup>1</sup> See *Cast Iron Soil Pipe from the People's Republic of China: Final Affirmative Countervailing Duty Determination*, 84 FR 6770 (February 28, 2019) (*Final Determination*) and the accompanying Issues and Decision Memorandum (IDM).

On April 8, 2019, the ITC notified Commerce of its final affirmative determination that an industry in the United States is materially injured within the meaning of section 705(b)(1)(A)(i) of the Act by reason of imports of subject merchandise from China.<sup>2</sup>

#### Scope of the Order

The scope of this order covers cast iron soil pipe from China. For a complete description of the scope, *see* the Appendix to this notice.

#### Countervailing Duty Order

On April 8, 2019, in accordance with section 705(d) of the Act, the ITC notified Commerce of its final determination that an industry in the United States is materially injured within the meaning of section 705(b)(1)(A)(i) of the Act by reason of imports of cast iron soil pipe from China.<sup>3</sup> Therefore, in accordance with sections 705(c)(2) and 706 of the Act, Commerce is issuing this countervailing duty order. Because the ITC determined that imports of cast iron soil pipe from China are materially injuring a U.S. industry, unliquidated entries of such merchandise from China, entered or withdrawn from warehouse for consumption, are subject to the assessment of countervailing duties.

As a result of the ITC's final determination, in accordance with section 706(a) of the Act, Commerce will direct U.S. Customs and Border Protection (CBP) to assess, upon further instruction by Commerce, countervailing duties for all relevant entries of cast iron soil pipe from China. Countervailing duties will be assessed on unliquidated entries of cast iron soil pipe from China entered, or withdrawn from warehouse, for consumption on or after July 2,

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<sup>2</sup> See Letter to Gary Taverman, Acting Assistant Secretary of Commerce for Enforcement and Compliance, from David S. Johanson, Chairman of the U.S. International Trade Commission, dated April 8, 2019 (ITC Letter).

<sup>3</sup> *Id.*

2018, the date of publication of the *Preliminary Determination*,<sup>4</sup> but will not include entries occurring after the expiration of the provisional measures period and before publication of the ITC's final affirmative injury determination as further described below.

### Suspension of Liquidation

In accordance with section 706 of the Act, we will instruct CBP to reinstitute suspension of liquidation on all relevant entries of cast iron soil pipe from China, effective on the date of publication of the ITC's notice of final determination in the *Federal Register*, and to assess, upon further instruction by Commerce pursuant to section 706(a)(1) of the Act,<sup>5</sup> countervailing duties for each entry of the subject merchandise in an amount based on the net countervailable subsidy rate for the subject merchandise. These instructions suspending liquidation will remain in effect until further notice. Commerce will also instruct CBP to require cash deposits equal to the amounts as indicated below. Accordingly, effective on the date of publication of the ITC's final affirmative injury determination, CBP will require, at the same time as importers would normally deposit estimated duties on this subject merchandise, a cash deposit equal to the subsidy rates listed below.<sup>6</sup>

### Provisional Measures

Section 733(d) of the Act states that instructions issued pursuant to an affirmative preliminary determination may not remain in effect for more than four months, except where exporters representing a significant proportion of exports of the subject merchandise request Commerce to extend that four-month period to no more than six months. At the request of

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<sup>4</sup> See *Cast Iron Soil Pipe from the People's Republic of China: Preliminary Affirmative Countervailing Duty*, 83 FR 30914 (July 2, 2018) (*Preliminary Determination*) and the accompanying Preliminary Decision Memorandum.

<sup>5</sup> See *Cast Iron Soil Pipe from China*, Investigation Nos. 701-TA-597 and 731-TA-1407 (Final), USITC Publication 4879 (April 2019).

<sup>6</sup> See section 706(a)(3) of the Act.

mandatory respondent, HengTong Casting Co., Ltd., which accounts for a significant proportion of cast iron soil pipe from China, Commerce extended the four-month period to six months in this case.<sup>7</sup> Commerce published its *Preliminary Determination* on July 2, 2018. Therefore, the extended period, beginning on the date of publication of the *Preliminary Determination*, ended on December 29, 2018. Furthermore, section 737(b) of the Act states that definitive duties are to begin on the date of publication of the ITC’s final injury determination.

Therefore, in accordance with section 733(d) of the Act and our practice, we will instruct CBP to terminate the suspension of liquidation and to liquidate, without regard to countervailing duties, unliquidated entries of cast iron soil pipe from China entered, or withdrawn from warehouse, for consumption on or after December 29, 2018, the date the provisional measures expired, through the day preceding the date of publication of the ITC’s final injury determination in the *Federal Register*. Suspension of liquidation will resume on the date of publication of the ITC’s final determination in the *Federal Register*.

#### Estimated Subsidy Margins

<b>Exporter/Producer</b>	<b>Subsidy Rate (percent)</b>
Kingway Pipe Co., Ltd.	109.27 percent
Yuncheng Jiangxian Economic Development Zone HengTong Casting Co., Ltd. <sup>8</sup>	14.69 percent
All-Others	14.69 percent

<sup>7</sup> See *Preliminary Determination*, 83 FR at 44569.

<sup>8</sup> Commerce initiated this proceeding on two respondents “Jiangxian Economic Development Zone Heng (Jiangxian) and Kingway Pipe Co Ltd (Kingway)” based on CBP data. We have accepted HengTong’s request to reflect its name as “Yucheng Jiangxian Economic Development Zone HengTong Casting Co., Ltd. (HengTong),” which is the name we have used in this proceeding.

### Notifications to Interested Parties

This notice constitutes the countervailing duty order with respect to cast iron soil pipe from China pursuant to section 706(a) of the Act. Interested parties can find a list of countervailing duty orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

This order is issued and published in accordance with section 706(a) of the Act and 19 CFR 351.211(b).

*Dated: April 26, 2019.*

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Jeffrey I. Kessler,  
Assistant Secretary  
for Enforcement and Compliance.

## **Appendix**

### **Scope of the Order**

The merchandise covered by this order is cast iron soil pipe, whether finished or unfinished, regardless of industry or proprietary specifications, and regardless of wall thickness, length, diameter, surface finish, end finish, or stenciling. The scope of this order includes, but is not limited to, both hubless and hub and spigot cast iron soil pipe. Cast iron soil pipe is nonmalleable iron pipe of various designs and sizes. Cast iron soil pipe is generally distinguished from other types of nonmalleable cast iron pipe by the manner in which it is connected to cast iron soil pipe fittings.

Cast iron soil pipe is classified into two major types – hubless and hub and spigot. Hubless cast iron soil pipe is manufactured without a hub, generally in compliance with Cast Iron Soil Pipe Institute (CISPI) specification 301 and/or American Society for Testing and Materials (ASTM) specification A888, including any revisions to those specifications. Hub and spigot pipe has one or more hubs into which the spigot (plain end) of a fitting is inserted. All pipe meeting the physical description set forth above is covered by the scope of this order, whether or not produced according to a particular standard.

The subject imports are currently classified in subheading 7303.00.0030 of the Harmonized Tariff Schedule of the United States (HTSUS): Cast iron soil pipe. The HTSUS subheading and specifications are provided for convenience and customs purposes only; the written description of the scope of this order is dispositive.

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